



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

MAY 02 2007

T:EP:RA

In re:

Dear

This letter is to inform you that your request for a modification of our ruling letter dated February 22, 2005, granting conditional waivers of the minimum funding requirement for the above-named pension plans for the plan year ending September 30, has been denied. This decision was conveyed to your authorized representative by of this office by telephone on April 25, 2007.

The expected sale of real estate ("Property") that the Company owns to a local home developer was the primary factor that was considered by the Service when determining the Company's likelihood for recovery when granting the conditional waivers in the letter dated February 22, 2005. The Company represented that the Property, which is currently zoned for industrial use, would have to be rezoned to allow for residential use (which would substantially increase the value of the Property) in order for the sale to close. Further, the Company represented that the rezoning process was proceeding and that the township planning board ("Board") was expected to approve the rezoning of the Property to allow for residential use. In a letter dated November 14, 2006, the Company stated that the home developer that was expected to purchase the property had filed for bankruptcy in September of . As a result, the Service concluded that the Company's recovery prospects were much less likely and that the financial hardship that the Company was experiencing was not a temporary business hardship.

In a letter dated December 15, 2006, you were informed of our tentative adverse position for the request and offered the conference of right that you are entitled to under section 12.01 of Rev. Proc. 2006-4. The conference was held on March 12, 2007. The Company had you, the owners of the Company, the authorized representative of the Company and two actuaries participate in the conference. At the conference, the Company represented that rezoning approval was not in doubt and that the Board had included the rezoning of the Property for residential use in its Master Plan that was expected to be finalized. At the conclusion of the conference, the Company had agreed to provide the Service with a copy of the Master Plan. In addition, the Company agreed to submit copies of contingency contracts signed by the engineers and the attorneys involved with the sale of the Property which showed that they would only be paid upon the successful completion of the sale and/or rezoning process. You were given 21 days to provide this information to us.

On March 12, 2007, copies of the contingency contracts, signed by the owners of the Company, were faxed to us. of this office, contacted the authorized representative beyond the 21-day period that you were given to provide additional information to us after the conference, to request that the Master Plan be submitted to us. informed the authorized representative that we would consider the information if it was sent to us by April 13, 2007. On April 18, 2007, by telephone, the authorized representative had requested an extension until April 20, 2007 to provide us the information. On April 20, 2007, the authorized representative faxed us a letter requesting an extension until April 25, 2007 to provide us the information. In the letter of April 20, 2007, the authorized representative stated that the Company understood that if we did not receive the information by that date that we would finalize our ruling. The requested extension date of April 25, 2007 has passed and as of the date of this letter, we have not received a copy of the Master Plan that you had agreed to send us. Further, no other additional information has been submitted to us in support of the rezoning process being completed in the future. As such, we have insufficient information to reverse our tentative denial. Therefore, our tentative denial is now final.

You should note that excise taxes under section 4971(a) of the Internal Revenue Code are currently due on the accumulated funding deficiencies in both plans for the plan years ending September 30, and If you fail to meet the minimum funding requirements for the plan year ending September 30, by June 15, 2007, the excise taxes under section 4971(a) will also be due. You should file Forms 5330 as soon as possible to report and pay the taxes.

This ruling is directed only to the taxpayer that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

We have sent a copy of this letter to the
to the and to your
authorized representatives pursuant to a power of attorney on file in this office.

If you have any questions concerning this matter, please contact

Sincerely,

A handwritten signature in cursive script, appearing to read "Anthony J. Montanaro".

Anthony J. Montanaro, Acting Manager
Employee Plans Actuarial Group 2